

BILL NO. 58 - 2009

AN ORDINANCE

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the Ordinance passed by the Council of the City of Reading, on the 22 day of Nov A. D. 2009. Witness my hand and seal of said City this 22 day of Nov A. D. 2009.

CITY CLERK

AN ORDINANCE OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, AMENDING THE CITY OF READING CODE OF ORDINANCES BY AMENDING PART 10 OF CHAPTER 24 TAXATION, OF THE CITY OF READING CODE OF ORDINANCES, TO BE FOUND AT SECTIONS 24-1001 TO 24-1002, ENTITLED "SCHEDULE OF ATTORNEY'S FEES FOR COLLECTION OF DELINQUENT EARNED INCOME TAXES, BUSINESS PRIVILEGE TAXES AND FEES, PER CAPITA TAXES, AND OTHER NON-REAL ESTATE BASED TAXES AND RECEIVABLES" WHICH SHALL AUTHORIZE THE IMPOSITION OF ATTORNEY FEES FOR THE COLLECTION OF SUCH TAXES.

THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. CITY OF READING CODE OF ORDINANCES PART 10 SCHEDULE OF ATTORNEY'S FEES FOR COLLECTION OF DELINQUENT EARNED INCOME TAXES, BUSINESS PRIVILEGE TAXES AND FEES, PER CAPITA TAXES, AND OTHER NON-REAL ESTATE BASED TAXES AND RECEIVABLES SHALL READ AS SET FORTH IN ATTACHED EXHIBIT "A".

SECTION 2. PART 10 RESIDENTIAL RENTAL TAX SECTIONS 24-1001 THROUGH AND INCLUDING 24-1009 ARE REPEALED.

SECTION 3. ALL OTHER SECTIONS, PARTS AND PROVISIONS OF THE CITY OF READING CODE OF ORDINANCES SHALL REMAIN IN FULL FORCE AND EFFECT AS PREVIOUSLY ENACTED AND AMENDED.

SECTION 4. IN THE EVENT ANY PROVISION, SECTION, OR PART OF THIS ORDINANCE SHALL BE HELD TO BE INVALID, ILLEGAL, OR UNCONSTITUTIONAL BY A COURT OF COMPETENT JURISDICTION, SUCH INVALIDITY, ILLEGALITY, OR UNCONSTITUTIONALITY SHALL NOT AFFECT OR IMPAIR THE REMAINING PROVISIONS, SECTIONS, OR PARTS OF THIS ORDINANCE, IT BEING THE INTENT OF CITY COUNCIL THAT THE REMAINDER OF THE ORDINANCE SHALL BE AND SHALL REMAIN IN FULL FORCE AND EFFECT.

SECTION 5. THIS ORDINANCE SHALL TAKE EFFECT TEN (10)  
DAYS AFTER ADOPTION IN ACCORDANCE WITH CITY OF  
READING HOME RULE CHARTER, AS AMENDED, SECTIONS 219  
AND 221.

ENACTED

Nov 9, 2009

PRESIDENT OF COUNCIL

ATTEST:

CITY CLERK

Submitted to Mayor:

Date: 11-12-09

Received by the Mayor's Office:

Date: 11-12-09

Approved by Mayor:

Date: 11/13/09

Vetoed by Mayor:

Date:

# EXHIBIT A

## PART 10 RESIDENTIAL RENTAL TAX

### *SCHEDULE OF ATTORNEYS' FEES FOR COLLECTION OF DELINQUENT EARNED INCOME TAXES, BUSINESS PRIVILEGE TAXES AND FEES, PER CAPITA TAXES, AND OTHER NON-REAL ESTATE BASED TAXES AND RECEIVABLES*

§24-1001. ~~SHORT TITLE.~~ *Schedule*

~~This Part shall be known and may be cited as the City of Reading Residential Rental Tax.~~

1. *The City hereby approves the following schedule of attorneys' fees for delinquent collections associated with earned income tax, business privilege tax, business privilege license fees, per capita tax, and other non-real estate based tax and receivables. Said schedule is determined to be fair and reasonable compensation for services rendered pursuant to the Pennsylvania Municipal Claims and Tax Liens Act.*

### *SCHEDULE OF FEES*

#### *LEGAL SERVICES*

*Collection of delinquent accounts  
the*

#### *FEE FOR SERVICES*

*20% contingency fee, calculated against  
base tax, penalty, and interest of the  
delinquent account*

2. *There shall be added to the above amounts the reasonable out-of-pocket expenses incurred by legal counsel in connection with the collection of the accounts, including Sheriff's and Prothonotary's costs.*
3. *The amount of attorneys' fees determined, as set forth above, shall be added to the City's claim for each account.*
4. *The following collection procedures are hereby established:*
  - A. *At least thirty (30) days prior to assessing or imposing attorneys' fees in connection with the collection of a delinquent account, City shall mail or cause to be mailed, by certified mail, return receipt requested, a notice of such intention to the taxpayer or other entity liable for the account (the "Account Debtor");*
  - B. *If the certified mail notice is undeliverable, then, at least 10 days prior to assessing or imposing such attorneys' fees, the City shall mail or cause to be mailed, by first class mail, a second notice to such account Debtor;*
  - C. *All notices required by this section shall be mailed to the Account Debtor's last known post office address as recorded in the records or other information of the City, or such other address as it may be able to obtain.*
  - D. *Each notice, as described above, shall include the following:*
    - (1) *The type of tax or other charge, the date it became due, and the amount owed, including penalty and interest.*
    - (2) *A statement of the City's intent to impose or assess attorneys' fees within 30 days after mailing of the first notice, or within 10 days after the mailing of the second notice.*
    - (3) *The manner in which the assessment or imposition of attorneys' fees may be avoided by payment of the account.*
    - (4) *The place of payment for accounts and the name and telephone number of the City representative designated as responsible for collection matters.*

~~§24-1002. AUTHORITY FOR TAX. Powers.~~

~~This tax is levied under the authority granted to the City of Reading by the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, No. 511, as amended, 53 P.S. §6901 et seq.~~

*The proper officials of the City are hereby authorized and empowered to take such additional action as they may deem necessary and appropriate to implement this Schedule of Attorneys' Fees.*

~~§24-1003. DEFINITIONS AND WORD USAGE.~~

A. ~~Definitions.~~ Unless otherwise expressly stated, the following terms shall, for the purpose of this Article, have the meanings indicated as follows:

1. ~~CITY~~ the City of Reading, Berks County, Pennsylvania.
2. ~~DWELLING UNIT~~—A building arranged, intended, designed or used as the living quarters for one or more families living independently of each other within the building. The term "dwelling unit" shall not be deemed to include a hotel unit.
3. ~~HOTEL UNIT~~—any room or group of rooms located within a hotel or motel forming a single habitable unit used or intended to be used for living and sleeping only on a transient basis for a period of less than 30 days.
4. ~~HOUSING LICENSE~~—a document issued by the Codes Division to the Owner of a Residential Rental Unit.
5. ~~LEASE TRANSACTION~~—a transaction under which an Owner, either directly or through an agent of such Owner, and any other person or persons enter into an agreement under which such person or persons is/are allowed to become Occupant(s) of a Residential Rental Unit for a period equal to or less than one year. Each year of a multi-year lease or other agreement allowing occupancy of a Residential Rental Unit shall be considered a separate lease transaction.
6. ~~OCCUPANT~~—any person over eighteen (18) years of age living and sleeping in a Residential Rental Unit or having actual possession of said Residential Rental Unit.
7. ~~OWNER~~—Any person who, individually, jointly or severally with others, shall have legal or equitable title to or have any other legal or beneficial interest in any Residential Rental Unit, whether or not such person occupies the Unit or any part thereof. If more than one person owns the property as joint tenants, tenants in common, tenants by the entireties, or tenants in co-partnership, each such person shall be considered an owner and shall have all of the duties of an Owner under this Part.

8. — ~~PERSON~~ — Includes any individual, firm, corporation, company, association, partnership, trusts, agent or other entity.

9. — ~~PERSONAL CARE HOME~~ — a premises in which food, shelter, and personal assistance or supervision are provided for a period exceeding 24 hours for four or more adults who are not relatives of the operator, who do not require the services in or of a licensed long term facility, but who do require assistance or supervision in matters such as dressing, bathing, diet, financial management, evacuation of a residence in the event of an emergency, or medication prescribed for self-administration which meets all regulations of the Pennsylvania Department of Public Welfare.

10. — ~~RESIDENTIAL RENTAL UNIT~~ — (i) a Rooming Unit or (ii) a dwelling unit let for rent. Each individual townhouse dwelling, each individual apartment unit, each individual unit in a multifamily building, and each rooming unit shall be considered a separate Residential Rental Unit. If a structure contains a Rooming Unit or if any portion of the structure is let for rent, it shall be considered a Residential Rental Unit whether or not the Owner or a relative of the Owner also resides in the structure. A Residential Rental Unit shall not include a Hotel Unit or a Personal Care Home. A Residential Rental Unit includes dwelling units under lease purchase agreements, or long term [greater than six (6) months] agreements of sale.

11. — ~~ROOMING UNIT~~ — a portion of a dwelling unit including any room or group of rooms forming a single habitable unit used or intended to be used for living and sleeping, but not for cooking purposes. Granting of permission to use shared or common cooking facilities may be associated with the leasing of a rooming unit.

— B. — Word Usage.

1. — ~~Tense, Gender and Number.~~ Words used in the present tense include the future; words in the masculine gender include the feminine and the neuter; the singular number includes the plural, and the plural the singular.

2. — Whenever the words “Residential Rental Unit,” “Rooming Unit,” and “Dwelling Unit” are used in this chapter, they shall be construed as though they were followed by the words “or any part thereof.”

§24-1004. IMPOSITION OF TAX.

A tax is hereby levied and imposed, for general City purposes, on every Lease Transaction, at the rate of fifty (\$50.00) dollars.

1. — ~~The foregoing tax shall be levied upon all Lease Transactions which authorize a person to be an Occupant of a Residential Rental Unit, regardless of when such person or persons commenced occupancy of the Residential Rental Unit.~~

2. — ~~No tax shall be imposed more than once each calendar year on Lease Transactions involving the same individual Residential Rental Unit.~~

#### ~~§24-1005. PAYMENT DATES.~~

~~The tax imposed under this Part shall be payable to the City by the Owner of each Residential Rental Unit which is the subject of a Lease Transaction. The tax shall be payable on January 1, 2009, or pursuant to the collection procedures as established by the City of Reading and annually thereafter so long as the Residential Rental Unit is the subject of a Lease Transaction. In the case of any Residential Rental Unit which is first the subject of a lease transaction after January 1, 2009, such tax shall be payable at the time of issuance of a Housing License and thereafter on January 1 of each year, or pursuant to the collection procedures as established by the City as long as the Residential Rental Unit is the subject of a Lease Transaction.~~

#### ~~§24-1006. COLLECTION AND DISPOSITION.~~

1. — ~~The City Tax Division Manager or his/her designee shall be and hereby is appointed the collecting agent for the collection of the tax.~~

2. — ~~The payment of the tax imposed by this Part shall be evidenced by a receipt setting forth the date and amount of payment, the name of the payee, and the identification of the Residential Rental Unit which is the subject of the Lease Transaction for which the tax is paid.~~

3. — ~~The City Tax Division Manager is authorized and empowered to prescribe, adopt and promulgate rules, regulations and forms relating to any matter or thing pertaining to the administration and enforcement of this Part and the collection of the tax, interest and penalties hereby imposed and may appoint assistants to collect the tax and administer this Part, subject to the approval of City Council.~~

#### ~~§24-1007. INTEREST AND PENALTIES.~~

1. — ~~Any tax imposed under this Part which is unpaid more than 30 days after the date such tax is due and payable shall be subject to interest at the rate of 1 % per month or fractional part of a month until paid in full.~~

2. — ~~A penalty of 10% is hereby imposed upon all taxes which are unpaid more than 30 days after they are due and payable in accordance with the provisions of this Part. Any penalties imposed pursuant to the terms of this Section shall be a penalty upon the entire unpaid balance which shall include the tax plus any accumulated interest to date.~~

~~§24-1008. RECOVERING OF TAXES AND PENALTIES.~~

~~All taxes imposed by this Part, together with interest from the due date and the penalty thereon, may be recovered as other debts of like character are now by law recoverable.~~

~~§24-1009. VIOLATIONS AND PENALTIES.~~

~~1. — It shall be unlawful for any Owner of a Residential Rental Unit to:~~

~~A. — Enter into a lease transaction without having paying the tax imposed by this Part.~~

~~B. — Fail, neglect or refuse to comply with or violate the rules and regulations prescribed, adopted and promulgated under the provisions of this Part.~~

~~2. — Any person convicted before a District Justice of violating any of the provisions of this Part shall be liable to a fine not exceeding \$600.00 for each and every offense, together with the cost of prosecution thereof and in default of payment of the fine, may be imprisoned for a period not to exceed 30 days. The payment of such fine or the serving of such imprisonment shall not relieve the person liable for such tax to pay such tax, interest, and penalties. Each day that an offense continues shall constitute a separate violation of this Part.~~

**SECTION 2.** ~~All other sections, parts and provisions of the City of Reading Code of Ordinances shall remain in full force and effect as previously enacted and amended.~~

**SECTION 3.** ~~In the event any provision, section, sentence, clause, or part of this Ordinance shall be held to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, such invalidity, illegality, or unconstitutionality shall not affect or impair the remaining provisions, sections, sentences, clauses, or parts of this Ordinance, it being the intent of City Council that the remainder of the Ordinance shall be and shall remain in full force and effect.~~

**SECTION 4.** ~~This Ordinance shall take effect ten (10) days after adoption in accordance with City of Reading Home Rule Charter, as amended, Sections 219 and 221. The tax established hereunder shall begin to be administered on January 1, 2009 and collected on January 1, 2009, or pursuant to the collection procedures as established by the City of Reading.~~